



Canada Revenue Agency: How to Avoid Penalties to the \$2,000 CRB

Description

The Canada Revenue Agency (CRA) is back to its familiar role as the administrator of COVID-19 benefits and cash giver to [Canadians needing federal aid](#). The Canada Recovery Benefit (CRB) has replaced the Canada Emergency Response Benefit (CERB). Thousands have been applying for CRB since October 12, 2020.

Canada's income support for people affected by the pandemic isn't abating. The CRA dispenses the money urgently, as it did with CERB before. However, the tax agency might require you to pay penalties on the \$2,000 CRB or even [take back what is not yours](#).

Determine your eligibility before applying for CRB. You can avoid the penalties or not repay the CRA for erroneous payments.

Why send back CRB?

The CRA learned lessons from the CRB's predecessor. Some CERB recipients were found to ineligible yet received the benefits. With CRB, checks and balances are in place to ensure only those meeting eligibility requirements will receive the pandemic benefits.

If you're not eligible but received CRB anyway, you must repay the CRA on or before December 31, 2020. The following are the circumstances you need to return any CRB payments you received in 2020:

1. You applied for the CRB and later found that you are not eligible.
2. You got the payment by mistake.
3. It was discovered to be a fraudulent claim.
4. You received one of the following for the same eligibility period:
 - Canada Recovery Sickness Benefit (CRSB)
 - Canada Recovery Caregiving Benefit (CRCB)
 - Employment Insurance (EI) benefits
 - Workers' compensation benefits

- Short-term disability benefits
- Québec Parental Insurance Plan (QPIP) benefits

The CRA is prepared to exact heavy penalties on CRB applicants who make intentionally fraudulent claims. Other consequences include possible jail time. Also, the tax agency advises people to be vigilant and recognize repayment scams.

Scrupulous elements claiming to be from the CRA will send fraudulent emails, texts, or calls to talk about repaying the CRB or requesting personal information.

Monthly dividend stock

Canadians who remain gainfully employed and who are not applying for CRB can create passive income through dividend investing. A stock that can sustain paying a high yield is **Exchange Income (TSX:EIF)**. It's not doing so great on the TSX year to date (-13.2%), but the dividend yield is a fantastic 6.74%.

Since the company pays monthly dividends, a \$150,000 investment will deliver \$842.50 in additional monthly income. Over the last 10 years, EIF has returned 316.36%. Also, its dividend track record of dividend growth is superb. The \$1.27 billion company raised the payout by 4.3% (compounded 7.5% per annum) in the last three years.

Exchange derives revenue from multiple sources such as aftermarket aviation parts, communication tower construction, high-pressure water cleaning systems, precision metal manufacturing, medevac transportation services, and a few more businesses.

Monthly dividend stocks are hard to come by, and in the current recession, it would be best to have more finance cushion. Industrial stock Exchange Income is a dependable income provider.

Return procedures

If you received CRB by direct deposit but need to return the money, you can return it via the CRA My Account or online banking. Mail the original CRB cheque if you have it and indicate the reason for the return.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)

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